

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 190280

12

ORIGIN COME-00

INFO OCT-01 CIAE-00 DODE-00 EB-07 NRC-05 NSAE-00 USIA-06

TRSE-00 EA-07 ERDA-05 ISO-00 AID-05 /036 R

DRAFTED BY OEA/CD:RMC GEEHAN:LWH

APPROVED BY EB/ITP/EWT:AREICHENBACH

COMMERCE/OEA - CBCLEMENTS

----- 088308

R 310106Z JUL 76

FM SECSTATE WASHDC

TO AMCONSUL HONG KONG

LIMITED OFFICIAL USE STATE 190280

EXCON

E.O. 11652:N/A

TAGS:ESTC, HK, CH

SUBJECT: SHANKLIN TRADING CO., LTD., ROOM 503-5, KAM CHUNG  
BLDG., 54, JAFFE ROAD, HONG KONG

REF: OEA/CD FILE 3-198

1. IN ORDER PREVENT SOUGHT AFTER STRATEGIC-RATED  
PRODUCTION AND TESTING EQUIPMENT FOR INTEGRATED CIRCUITS  
BEING DIVERTED TO PRC, USSR AND OTHER EAST EUROPEAN  
COUNTRIES REQUEST POST CONDUCT PRE-LICENSING CHECK ON  
FOLLOWING TRANSACTION.

2. SUMITOMO SHOJI AMERICA, INC., N.Y., N.Y., APPLIED FOR  
EXPORT LICENSE TO SHIP ONE PATTERN GENERATOR TYPE 3000  
(VALUE: 277,957 DOLLARS), TWO PHOTOREPEATERS TYPE 3095  
(TOTAL VALUE: 246,400 DOLLARS), TWO MASTER RETICLE ALIGNMENT  
INSTRUMENTS TYPE 3319 (TOTAL VALUE: 32,560 DOLLARS) AND TWO  
CONTACT PRINTERS TYPE 4300 (TOTAL VALUE 49,632 DOLLARS) TO  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 190280

SUBJECT FIRM. TOTAL VALUE OF TRANSACTION: 606,549 DOLLARS.

EQUIPMENT MANUFACTURED BY GCA/DAVID W. MANN CO.

3. STATED END-USE: MANUFACTURE OF MASKS FOR  
SEMICONDUCTOR DEVICES AND INTEGRATED CIRCUITS. APPLICATION

SUPPORTED BY HONG KONG I.C. NO. 614519, DATED 6/25/76.  
N.B.: NOTATION ON I.C. INDICATES THAT EQUIPMENT FOR  
220 VOLT CURRENT. USDOC REFERENCE "ELECTRIC CURRENT  
ABROAD" (1975 ED.) INDICATES HONG KONG (ENTIRE COLONY)  
ON 200/346 VOLTS.

4. FYI. OEA/CD ALERTED BY CONFIDENTIAL SOURCE (SENSITIVE)  
SEVERAL MONTHS AGO THAT PRC WOULD ATTEMPT TO OBTAIN GCA/  
D.W. MANN MASK MAKING EQUIPMENT FROM U.S. VIA HONG KONG.  
DETAILS UNKNOWN. OEA/CD QUESTIONED MANUFACTURER, WHO HAS  
FIRST HAND KNOWLEDGE OF WORLD SEMICONDUCTOR MARKET,  
REGARDING SUBJECT TRANSACTION. MANUFACTURER EXPRESSED  
DOUBTS AS TO A) NEED/USE OF SUCH EQUIPMENT IN HONG KONG  
AND B) CUSTOMER'S INVOLVEMENT IN SUCH A LARGE TRANSACTION  
(UNLESS FUNDS COMING FROM UNKNOWN QUARTER). END FYI.

5. INTERNATIONAL D AND B REFERENCE CONSULTED. SUBJECT  
NOT LISTED. WTDR DATED 9/74 (HONG KONG'S T-12428, 9/11/74)

SHOWS SUBJECT AT DIFFERENT ADDRESS. TWO FINANCIAL  
REFERENCES SHOWN ON WTDR, OEA/CD INFORMED ONLY WING HANG  
BANK, LTD., ACCOUNT ACTIVE. IF LETTER OF CREDIT (L/C) FOR  
SUBJECT TRANSACTION OPENED BY THIS BANK, STRONG  
POSSIBILITY EXISTS THAT IT SUPPORTED BY BACK-TO-BACK L/C  
FROM PRC. REASONING AS FOLLOWS: WING HANG BANK CONNECTED  
TO HONG KONG AND SHANGHAI BANKING CORP. THROUGH LINKS  
THAT INCLUDE IRVING TRUST CO., CHARTER NEW YORK CORP., AND  
INTERNATIONAL COMMERCIAL BANK LTD. (HONG KONG). HONG HONG  
AND SHANGHAI BANKING CORP. IS DESIGNATED BY THE PRC AS  
AUTHORIZED TO OPEN OR NEGOTIATE L/C'S ON THEIR BEHALF.  
ALSO, AN L/C COVERING SUCH EQUIPMENT FOR THE PRC WOULD  
CAREFULLY NOTE ELECTRIC CURRENT NECESSARY FOR OPERATION,  
I.E., 220 VOLTS. (SEE ITEM THREE ABOVE.)

6. THE FOLLOWING IS A PROFILE OF CONDITIONS THAT  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 190280

ORDINARILY ATTEND TRANSACTION FOR ABOVEMENTIONED TYPE  
EQUIPMENT: A) PURCHASER WOULD BE ESTABLISHED FIRM EMPLOYING  
HIGHLY SKILLED TECHNICIANS, B) NUMBER OF EMPLOYEES IN RANGE  
50 TO 100, C) ROOMS WHERE EQUIPMENT TO BE INSTALLED  
WOULD MEET LABORATORY STANDARDS, E.G., CONTROLLED TEMPER-  
ATURE, DUST/DIRT FREE, D) OVERALL MANUFACTURING FACILITY  
WOULD CONSIST SEGREGATED OPERATIONS, I.E., SERIES OF ROOMS  
FOR VARIOUS PRODUCTION STAGES SUCH AS SLICING, POLISHING,

CHEMICAL PHASE, PHOTO AREA ETC.

ACTION REQUESTED.

7. DETERMINE BONA FIDES OF TRANSACTION. IF ULTIMATE  
CONSIGNEE NOT END-USER, IDENTIFY SUCH AND BONA FIDES THEIR  
REQUIREMENT.

8. PLEASE CABLE RESULTS. KISSINGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORT LICENSES, STRATEGIC TRADE CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE190280  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RMCGEHAN:LWH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760296-0701  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t1976071/aaaaaajd.tel  
**Line Count:** 124  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 MAY 2004 by BoyleJA>; APPROVED <17 SEP 2004 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SHANKLIN TRADING CO., LTD., ROOM 503-5, KAM CHUNG BLDG., 54, JAFFE ROAD, HONG KONG  
**TAGS:** ESTC, HK, CH, US, SHANKLIN TRADING CO LTD  
**To:** HONG KONG  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006